

VZCZCXRO4014
PP RUEHDBU RUEHFL RUEHKW RUEHLA RUEHROV RUEHSR
DE RUEHUP #1486/01 2541331
ZNY CCCCC ZZH
P 111331Z SEP 07
FM AMEMBASSY BUDAPEST
TO RUEHC/SECSTATE WASHDC PRIORITY 1880
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE

C O N F I D E N T I A L SECTION 01 OF 02 BUDAPEST 001486

SIPDIS

SIPDIS

DEPARTMENT FOR EUR/NCE; PLEASE PASS TO NSC FOR ADAM STERLING

E.O. 12958: DECL: 09/10/2012

TAGS: [PGOV](#) [KDEM](#) [PHUM](#) [HU](#)

SUBJECT: SEEMS LIKE OLD TIMES: PARLIAMENT - AND PROTESTORS
- RETURN

REF: BUDAPEST 1474 AND PREVIOUS

Classified By: P/E COUNSELOR ERIC V. GAUDIOSI; REASONS 1.4 (B) AND (D)

11. (SBU) The opening day of Parliament's fall session was marked by strong rhetorical exchanges between the parties and the return of demonstrators to the streets as a crowd estimated at over 1,000 gathered in front of the Parliament to protest government policy on the sale of public assets.

PRESIDENT SOLYOM CALLS FOR UNITY, RESPECT FOR LAW AND ORDER

12. (SBU) In his opening address, President Laszlo Solyom called on the parties to bring an end to political discord by respecting fundamental unity and building social consensus on key issues. In a reference to the debate over the Magyar Garda (reftel), Solyom affirmed Hungarians' right to free expression but questioned the use of the Arpad flag as a symbol. He underscored the government's responsibility to "hear those who are genuinely afraid" but cautioned strongly against the "harmful manipulation" of the issue.

13. (SBU) Referring to the prospect of renewed demonstrations, Solyom denounced violence as "incompatible" with constitutional order, but warned of negative consequences from "confusing demonstrators with extremists." FIDESZ leader Orban rose in response to pledge that "FIDESZ is a party of law and order and you can count on us."

PM PROMISES REFORM AND RENEWAL

14. (SBU) In a one-hour address that ranged from philosophical references to legislative recommendations, Prime Minister Gyurcsany outlined his priorities as job creation, educational reform, health care, and the establishment of a "new order." In keeping with his public references to the worst of the austerity measures being over, he did not refer to further cuts in social insurance contributions but did allude to the "eventual" introduction of property taxes. In a move likely designed to challenge the opposition's long-time ownership of the issue, the PM also committed to a "patriotic policy" of (unspecified) support for Hungary's SME's.

REACTION: PARTIES SPEAK OUT (AND WALK OUT

15. (SBU) With FIDESZ continuing its practice of walking out on the PM's addresses, the opposition's response was provided by faction leader Tibor Navracsics, who contrasted the PM's "beautiful dreams" with Hungary's 1 percent growth rate. Hungarian Democratic Forum (MDF) leader Ibolya David also focused on economic growth, advocating a flat tax and stronger anti-corruption measures. SzDSz President Koka pledged continued efforts to "persuade" the MSzP to continue the process of reforms, specifically highlighting the importance of health care. Speaking for the party, MSzP

faction leader Ildiko Lendvai conceded the "lack of dialogue" on previous reform measures but pledged "tangible changes" in place of "shock therapy."

DEMONSTRATORS WALK IN

¶6. (SBU) A crowd estimated at over 1,000 gathered in front of Parliament at twilight in a licensed protest against government policy regarding the disposition of public assets.

(Note: Effectively overriding his objections, the coalition voted to return legislation to the President which gives broad authority to an appointed panel to approve the sale of public property, including such high-profile para-statal corporations as Herend china. End note.) Embassy officers on the scene report a mixed crowd, with Arpad flags in evidence. Media reports indicate that the crowd jeered the PM and MSzP MPs as they departed the building, pelting their cars with garbage and breaking up at 11:00 when facing dispersal by the police.

¶7. (C) The demonstration was organized by the organization "Elolanc" (Human Chain), a civic group that has been increasingly vocal on environmental issues. The demonstration at Parliament follows their weekend effort to sponsor a human chain in downtown Budapest to protest against the property legislation, and may signal a higher profile on political issues. According to press reports on September 11, Elolanc had asked its supporters not to bring Arpad flags, and distanced themselves from demonstrators who carried them, many of whom were identified as individuals active in last fall's protests. Hungarian law enforcement officials tell us privately that the reaction by elements of the crowd was prompted by MSzP MP's, who appeared on the balcony of Parliament spitting and making obscene gestures at

BUDAPEST 00001486 002 OF 002

the demonstrators.

¶8. (SBU) A small group of demonstrators estimated at 15-20 gathered outside the Hungarian Television headquarters on Monday evening, briefly shouting anti-PM slogans before moving on toward Parliament.

COMMENT: FALL RERUNS

¶9. (C) Parliament's return brought few surprises, among them Solyom's balanced remarks supporting the right to free expression but denouncing the politics of hatred. The Prime Minister's comments were ambitious in scope but lacking in detail, particularly as regards his plans to stimulate growth and promote Hungary's SME's. Observers here are not surprised by the return of demonstrators, and there is the sense that any number of issues have the potential to prompt further protests in the months ahead. End Comment

FOLEY